Encouragement to small savings

3144. SHRI RAJEEV SHUKLA: Will the Minister of FINANCE be pleased to state:

(a) whether Government considers that small savings have a role to play in the Indian economy;

(b) if so, the reasons for discouraging small savings by its anti-small savings policies such as reduction in the rates interests on provident funds, NSS, Kisan Vikas Patras, other Post Office Schemes etc.;

(c) whether Government have analysed the impact of the above decisions on the welfare of poor and middle class people in the country; and

(d) if so, the results thereof and what steps are being proposed/ being taken to encourage small savings and make small savings attractive?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (d) Savings play a very important role in the economy of the country. The decision to rationalise interest rates on small savings schemes has been taken as the real rates of interest were considered to be high preventing downward movement of other rates of interest in the economy. A lower interest structure is expected to stimulate growth from which all sections of the society would benefit. Steps are taken by the Government from time to time to safeguard the interests of the small investors by ensuring attractive returns, tax benefits liquidity and accessibility.

Abolition of posts in different Ministries of Government

3145. SHRI NARENDRA MOHAN: Will the Minister of FINANCE be pleased to state:

(a) whether it is fact that the beginning made by the Ministry of Finance in downsizing the administrative apparatus by abolishing various posts from Secretary level to Section Officers is a welcome sign;

(b) if so, whether Government propose to direct other Ministries to undertake similar exercise relating to downsizing in their departments;

(c) if so, what is the estimated percentage of existing posts envisaged to be abolished and percentage of saving expenditure in this financial year;

(d) whether any monitoring for reviewing these exercises is being introduced; and

(c) if so, the periodicity of review and targeted results to be achieved both personnel-wise and saving-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (e) The Expenditure Reforms Commission which has been set up, *inter alia,* to review the adequacy of staffing under the Central Government Ministeries, attached offices and institutions keeping in view the functions required to be performed by them, has so far submitted 7 Reports relating to restructuring and rightsizing of 14 Ministries/Departments. These Reports have been forwarded to concerned Ministries/ Departments who would be taking appropriate decisions on the recommendations of the Commission. Details of the posts to be abolished and the resultant savings thereon would be known only after completion of the above action.

Subsidies in social sectors

3146. SHRI NARENDRA MOHAN: Will the Minister of FINANCE be pleased to state:

(a) whether the subsidies both implicit and explicit given by Government to States have been instrumental in servings the social purpose to the extent envisaged;

(b) if not, what arc the social sectors where the desired results have not been achieved; and

(c) whether Government are thinking of scrapping subsidies in the social sectors where these have failed to serve the expected purpose?